INFO	LOG-00	EEB-00	AID-00	ACQ-00	COME-00	INL-00	DOTE-00
	PERC-00	PDI-00	DS-00	FAAE-00	VCI-00	H-00	TEDE-00
	INR-00	MOFM-00	MOF-00	VCIE-00	NSAE-00	ISN-00	PM-00
	GIWI-00	ISNE-00	FMPC-00	SP-00	IRM-00	SSO-00	SS-00
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DEPT FOR SCA/FO, SCA/CEN, P-TOM WEST OSD FOR DASD SEDNEY

E.O. 12958: DECL: 07/17/2019

TAGS: PREL PGOV ECON MARR MOPS KG
SUBJECT: KYRGYZ FOREIGN MINISTER: NEXT STEPS ON TRANSIT
CENTER

Classified By: Classified by Charge d'Affaires Lee Litzenberger, for Re asons 1.4 (b) and (d).

11. (C) On July 17, Foreign Minister Kadyrbek Sarbayev met with Charge to discuss next steps in implementing the agreements related to the new Transit Center at Manas International Airport. He also reiterated his concerns that Kyrgyz firms will not be able to compete for new Transit Center contracts, contrary to what he understood would be the case and had conveyed to President Bakiyev and the Kyrgyz parliament. Sarbayev warned of a scandal, in addition to his possible removal from government, should he not be able to demonstrate that Kyrgyz firms would be able to participate in the contracting process. Charge reminded Sarbayev that the U.S. welcomed Kyrgyz participation to compete for contracts, but that awards would be made consistent with U.S. laws and regulations. The U.S. could not guarantee that Kyrgyz firms would win any tenders.

WE EXPECT CONTRACTS!

12. (C) FM Sarbayev told Charge that he felt the U.S. was surreptitiously preventing Kyrgyz firms from cashing in on the first two contracts to be awarded in the wake of the transit center agreements, one for new ramp construction and the second for Northern Distribution Network shipments. Sarbayev said that a large Kyrgyz firm attempted to participate in the NDN tender but was told that the tender was closed and that finalists were being reviewed. Charge could not comment on whether or not any Kyrgyz firms were among the finalists and could not guarantee that any Kyrgyz firms would win the tender. (Note: The ramp contract is to be awarded on August 6 and money for the project must be obligated before the end of FY09. The Embassy has no information on whether any Kyrgyz firms are competing for this contract.) Charge reiterated the importance of awarding contracts consistent with U.S. laws and regulations. Sarbayev warned that there would "be a problem if Kyrgyz firms do not build the ramp." Sarbayev also claimed that the U.S. had promised the ramp "to us" during the April negotiations and that he had similarly promised President Bakiyev and the Kyrgyz parliament that contracts would be awarded to Kyrgyz firms. Charge quickly corrected Sarbayev, clarifying that the U.S. promised to finance construction of a ramp, without stipulating who would build it. However, Charge told Sarbayev that regardless of the firm that may win the ramp contract, it was highly likely that local firms would take part in some fashion.

BEWARE OF GOVERNMENT TURNOVER AFTER ELECTION

13. (C) FM Sarbayev told Charge that, following the election of a new President on July 23, the government would resign and a new government would be appointed. "Even if I am reappointed, I will have to be approved by Parliament, and they will ask questions about the Transit Center agreement and contracts," Sarbayev said. He warned that the failure to award contracts to Kyrgyz firms would not only present a "scandal" for the U.S. but could also result in his removal from the government.

COMMENT

¶4. (C) The Kyrgyz, and Sarbayev in particular, are obsessed with the need to demonstrate quickly that the new Transit Center arrangements will generate additional benefits to Kyrgyz firms beyond the compensation and assistance contained in the agreement. If it turns out that no Kyrgyz firms even participated in the final selection process for the ramp, we can expect a sharp reaction from the Kyrgyz, who will see this as an indication that we do not intend to follow up our verbal intentions to help the Kyrgyz economy with concrete action. Second, if there is a way to allow additional Kyrgyz firms to participate in the NDN procurement process, that would send a helpful, positive signal to the Kyrgyz.

LITZENBERGER